



HF 635 – 2015 Transportation Omnibus (LSB1339HZ.1)

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Fiscal Note Version – As amended and passed by the House

Description

House File 635 as amended and passed by the House, updates several Iowa Code chapters to comply with federal law, reorganizes Iowa Code chapters **307** and **307A**, adopts changes for consistency, and changes fees. Changes are described below:

- **Division One** eliminates a reference to the State aircraft pool that no longer exists and eliminates requirements related to the presentation of an aircraft certificate.
- **Division Two** amends and reorganizes Iowa Code chapters related to duties of the Department of Transportation (DOT) and the Transportation Commission. Amendments separate the duties of the DOT and the Commission into separate Iowa Code chapters and update language to reflect current organization. This Division also requires the Department to contract with a vendor to develop a database to verify if registered vehicles are insured. The Department is required to adopt rules to require each insurer to submit information to a vendor and notify vehicle owners of database results.
- **Division Three** adopts the following provisions:
 - Clarifies that federal authorities are eligible for plates other than official registration plates.
 - Increases the fee for issuance of a replacement driver's license for licensees between the ages of 18 and 21 from \$1 to \$10. License cards for licensees age 21 and under are vertically displayed.
 - Allows an individual with a suspended license for operating-while-intoxicated (OWI) and for other violations to be eligible for a temporary restricted license (TRL). The licensee must be eligible for a TRL under both provisions. The fee to reinstate a TRL is \$20.
 - Decreases the penalty for filing registration fees related to the International Registration Plan (IRP). A registration reciprocity agreement exists among 48 states and Canada.
 - Allows annual oversize and overweight permits for vehicles that haul bagged livestock bedding.
 - Allows vehicles for sale to be displayed at the Iowa State Fair.
 - Extends the allowable length of travel and fifth-wheel trailers from 40 to 45 feet.
 - Requires disability parking permits to display "Remove before operating vehicle."
- **Division Four** repeals several Iowa Code sections related to rail transportation that are not in use.
- **Division Five** adopts the following provisions:
 - Updates the definitions of a commercial driver's license (CDL) and a commercial learner's permit (CLP) to match federal regulations.
 - Requires the DOT to adopt rules to implement federal changes to CDLs and CLPs.
 - Requires applicants for a CDL to hold a learner's permit prior to being issued a CDL. The learner's permit must be held a minimum of 14 days. The fee for a commercial learner's permit is \$12.
 - Allows the DOT to waive the requirement of a driving skills test if the applicant has been separated from the military one year or less.
 - Requires the DOT to disqualify the CDL of a person suspected or convicted of fraud.
 - Allows the DOT to adopt rules requiring additional proof, information, or certification to qualify for a CDL.

Assumptions

- The DOT estimates that contracting a vendor to verify the insurance policies of registered vehicles will cost \$2.0 million. The cost of notifying vehicle owners is unknown.
- An estimated 58,000 licensees were between the ages of 18 and 21 in 2014. The number of license holders that may acquire a replacement license is unknown. However, this estimate assumes that 33.0% of the population will acquire a replacement license.
- The number of additional temporary restricted licenses (TRLs) that may be issued is unknown. However, additional applicants may apply for a TRL, and revenue to the Statutory Allocations Fund (SAF) will increase.
- The DOT identified an average of \$257,000 in IRP late fees collected between FY 2012 and FY 2014. Fee collections vary substantially, and it is impossible to exactly predict future collections. The DOT anticipates that a reduced fee may increase collection rates.
- All new CDLs and CDL owners applying for an endorsement will be required to first own a commercial learner's permit (CLP) for 14 days and pay a \$12 fee. This estimate assumes an additional 4,000 CDL applicants will acquire a CLP.
- Provisions related to CDL requirements implement federal requirements. Failure to implement these changes may threaten federal funding to the DOT.

Fiscal Impact

The DOT will expend an additional \$2.0 million per year beginning in FY 2016 to contract with a vendor to verify if registered vehicles maintain valid insurance. The number of additional TRLs that will be issued due to [HF 635](#) is unknown. However, additional applicants will apply for a TRL and revenue to the SAF will increase. The Bill will decrease the dollar amount of fines levied pursuant to the IRP. The impact of this change is unknown.

Increasing the fee for replacement licenses will increase revenue to the SAF by an estimated \$174,000 each fiscal year beginning in FY 2016. Requiring learner's permits will increase revenue to the SAF by an estimated \$48,000 each fiscal year beginning in FY 2016. Year-end SAF resources are transferred to the Road Use Tax Fund (RUTF) the following fiscal year. Therefore, these changes will increase RUTF revenue beginning in FY 2017.

The DOT estimates that failure to comply with federal requirements will reduce federal funding by \$17.2 million in FY 2016 and \$34.3 million in FY 2017. [House File 635](#) adopts changes that will meet federal requirements and secure federal National Highway Performance Program (NHPP) and Surface Transportation Program funding.

Sources

Department of Transportation
LSA Calculations

/s/ Holly M. Lyons

April 29, 2015

The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
